



# SUMMARY OF OPTIONS FOR DOWNTOWN HUB

	Base Case	Option 1	Option 2	Option 3	Option 4
	McCoy, Mead & Lincoln	McCoy, Mead & Lincoln	New Clinic, Mead & Lincoln	Lincoln	Lincoln
<b>FINANCIAL SUMMARY</b>	Unsustainable Option - Do Nothing Except Ongoing Emergency Work at Mead and McCoy	Make Mead and McCoy Tier I, No Service Expansion, Retain Lincoln Lease	Build a New Clinic to Replace McCoy, Improve Mead, Retain Lincoln Lease	Purchase Lincoln, Consolidate Health, DCJ, DCHS, ADS, DUII & IT	Option 3 with \$14.65 Million Upfront Contribution, 25 Year Amortization, 2.5% Annual Increases
Square Footage Required	287,574	287,574	264,929	256,464	256,464
15 Year Cost	\$89,279,389	\$131,579,536	\$127,251,359	\$114,670,850	\$88,620,567
Average Annual Cost	\$5,951,959	\$8,771,969	\$8,483,424	\$7,644,723	\$5,908,038
<b>PROS and CONS:</b>					
Facilities Strategic Plan	Does not comply	Partially Complies	Partially Complies	Fully Complies	Fully Complies
Health and Safety	This option is not sustainable, the buildings will be unusable at some point without improvement	Buildings are brought to Tier I status and will be safer and healthier	Buildings are brought to Tier I status and will be safer and healthier	Lincoln will be a Tier I building and will provide improved health and safety	Lincoln will be a Tier I building and will provide improved health and safety
Space Efficiency	Inefficient use of space and retains three buildings rather than one	Inefficient use of space and retains three buildings rather than one	More efficient for Health, but inefficient for DCJ and still retains three buildings rather than one	Most efficient use of space and consolidates into one building providing program efficiencies as well	Most efficient use of space and consolidates into one building providing program efficiencies as well
Work Environment	No improvement to work environment	Modest improvement to work environment	Significant improvement for Health and modest improvement for DCJ	Significant improvement in the work environment	Significant improvement in the work environment
Construction Disruption	No construction disruption	Significant disruption over 3 - 4 years	Limited disruption for Health and significant disruption for DCJ over 3 - 4 years	Modest disruption due to construction in Lincoln	Modest disruption due to construction in Lincoln
HIPAA and ADA Compliance	Not fully compliant with either HIPAA or ADA	Complies with both HIPAA and ADA	Complies with both HIPAA and ADA	Complies with both HIPAA and ADA	Complies with both HIPAA and ADA
Service Level Improvement	No service improvement to clients	No service improvement to clients	50% increase in service delivery for Health. Provider/exam ratio is improved to 1:3.1 from 1:2. Improved environment for DCJ clients.	50% increase in service delivery for Health. Provider/exam ratio is improved to 1:3.1 from 1:2. Improved environment for DCJ clients.	50% increase in service delivery for Health. Provider/exam ratio is improved to 1:3.1 from 1:2. Improved environment for DCJ clients.




## OPTIONS FOR DOWNTOWN HUB - FINANCIAL DETAIL

		Base Case	Option 1	Option 2	Option 3	Option 4
<b>Buildings</b>		McCoy, Mead & Lincoln	McCoy, Mead & Lincoln	New Clinic, Mead & Lincoln	Lincoln	Lincoln
<b>Description</b>		Unsustainable Option - Do Nothing Except Ongoing Emergency Work at Mead and McCoy	Make Mead and McCoy Tier I, No Service Expansion, Retain Lincoln Lease	Build a New Clinic to Replace McCoy, Improve Mead, Retain Lincoln Lease	Purchase Lincoln, Consolidate Health, DCJ, DCHS, ADS, DUIL & IT	Option 3 with \$14.65 Million Upfront Contribution, 25 Year Amortization, 2.5% Annual Increases
Consistent with 2005 Facilities Strategic Plan		No	Partially	Partially	Fully	Fully
County Occupancy in Square Feet		287,574	287,574	264,929	256,464	256,464
<b>UPFRONT CAPITAL</b>						
Available Capital from Building Sales	1	\$0	\$0	(\$3,480,925)	(\$5,566,879)	(\$5,566,879)
Qwest Termination Payment	2	\$0	\$0	\$0	(\$175,000)	(\$175,000)
Purchase Price or Shell/Core Const. + Land	3	\$0	\$0	\$20,000,000	\$44,100,000	\$44,100,000
Seismic Code Requirements	4	\$0	\$12,700,000	\$5,400,000	\$6,100,000	\$6,100,000
Deferred Maintenance and Emergency Work	5	\$0	\$4,120,000	\$800,000	\$0	\$0
Tenant Improvements (Interior/finishes)	6	\$0	\$14,367,000	\$16,180,000	\$16,455,000	\$16,455,000
Health Department	7	\$0	\$11,687,000	\$13,500,000	\$11,687,000	\$11,687,000
DCJ	8	\$0	\$2,430,000	\$2,430,000	\$2,430,000	\$2,430,000
DCHS	9	\$0	\$0	\$0	\$2,088,000	\$2,088,000
X-Ray Machine	10	\$0	\$250,000	\$250,000	\$250,000	\$250,000
1.33 % for the Arts	11	\$0	\$414,787	\$563,654	\$866,515	\$866,515
Furniture, Fixtures, Equipment (FFE) + Move	12	\$0	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
<b>Total Upfront Capital Outlay</b>	<b>13</b>	<b>\$0</b>	<b>\$36,101,787</b>	<b>\$43,962,729</b>	<b>\$66,279,636</b>	<b>\$66,279,636</b>
<b>15 YEAR COSTS</b>						
Rent (includes Op Ex)	14	\$39,826,338	\$39,826,338	\$39,826,338	\$3,738,275	\$0
Debt Payments	15	\$5,733,111	\$47,161,070	\$55,147,753	\$76,058,009	\$53,746,001
Income from 3rd Party Tenants	16	\$0	\$0	\$0	(\$5,668,444)	(\$5,668,444)
Outside Lease for Construction	17	\$0	\$3,346,902	\$1,673,451		
Operating Expenses for Owned	18	\$43,719,940	\$41,245,226	\$30,603,817	\$40,543,010	\$40,543,010
<b>Total Costs Over 15 Year Term</b>	<b>19</b>	<b>\$89,279,389</b>	<b>\$131,579,536</b>	<b>\$127,251,359</b>	<b>\$114,670,850</b>	<b>\$88,620,567</b>
<b>Average Annual Cost</b>	<b>20</b>	<b>\$5,951,959.23</b>	<b>\$8,771,969</b>	<b>\$8,483,424</b>	<b>\$7,644,723</b>	<b>\$5,908,037.81</b>

# BASE CASE VS. LINCOLN PURCHASE (OPTION 3)


## 20 Year Amortization

Fiscal Year	Base Case No Improvement	Lincoln Purchase	Difference	
2009	\$4,921,395	\$9,104,719	\$4,183,324	 <b>MULTNOMAH COUNTY OREGON</b>
2010	\$5,108,334	\$7,887,680	\$2,779,346	
2011	\$5,308,104	\$7,142,625	\$1,834,520	
2012	\$5,516,207	\$7,147,306	\$1,631,099	
2013	\$5,452,543	\$7,212,453	\$1,759,910	
2014	\$5,677,588	\$7,279,588	\$1,602,000	
2015	\$5,281,844	\$7,348,770	\$2,066,926	
2016	\$5,465,107	\$7,420,061	\$1,954,955	
2017	\$5,733,188	\$7,493,526	\$1,760,338	
2018	\$6,014,395	\$7,569,229	\$1,554,833	
2019	\$6,309,428	\$7,647,238	\$1,337,811	
2020	\$6,619,023	\$7,727,623	\$1,108,600	
2021	\$6,943,961	\$7,810,456	\$866,495	
2022	\$7,285,065	\$7,895,811	\$610,746	
2023	\$7,643,206	\$7,983,764	\$340,558	
Totals	\$89,279,389	\$114,670,850	\$25,391,461	

Revised 11/5/2007

# BASE CASE VS. LINCOLN PURCHASE (OPTION 4)

## 25 Year Amortization with \$14.65 Million in Upfront Capital\*

Fiscal Year	Base Case Annual Cost	Lincoln Purchase Annual Cost	Difference	
2009	\$4,921,395	\$4,114,190	(\$807,205)	<p>*Financing option 1C(3) provided by Seattle NW Securities on October 20, 2007.</p>  <p><b>MULTNOMAH COUNTY</b> <b>OREGON</b></p>
2010	\$5,108,334	\$5,066,387	(\$41,947)	
2011	\$5,308,104	\$5,222,102	(\$86,003)	
2012	\$5,516,207	\$5,303,360	(\$212,847)	
2013	\$5,452,543	\$5,450,907	(\$1,636)	
2014	\$5,677,588	\$5,600,722	(\$76,866)	
2015	\$5,281,844	\$5,752,572	\$470,728	
2016	\$5,465,107	\$5,911,014	\$445,908	
2017	\$5,733,188	\$6,075,665	\$342,477	
2018	\$6,014,395	\$6,240,906	\$226,511	
2019	\$6,309,428	\$6,416,275	\$106,848	
2020	\$6,619,023	\$6,590,981	(\$28,042)	
2021	\$6,943,961	\$6,769,827	(\$174,135)	
2022	\$7,285,065	\$6,957,431	(\$327,634)	
2023	\$7,643,206	\$7,148,228	(\$494,978)	
Totals	\$89,279,389	\$88,620,567	(\$658,821)	

Revised 11/5/2007

# Base Case

Year	McCoy Debt	McCoy Operating	Mead Debt	Mead Operating	Total Annual Cost
2009	\$458,000	\$1,125,247	\$576,564	\$753,082	\$4,921,395
2010	\$458,000	\$1,192,762	\$570,547	\$798,267	\$5,108,334
2011	\$458,000	\$1,264,328	\$570,000	\$846,163	\$5,308,104
2012	\$458,000	\$1,340,188	\$570,000	\$896,933	\$5,516,207
2013	\$458,000	\$1,420,599	\$290,000	\$950,749	\$5,452,543
2014	\$458,000	\$1,505,835	\$290,000	\$1,007,794	\$5,677,588
2015	\$118,000	\$1,596,185	\$0	\$1,068,261	\$5,281,844
2016	\$0	\$1,691,956	\$0	\$1,132,357	\$5,465,107
2017	\$0	\$1,793,473	\$0	\$1,200,299	\$5,733,188
2018	\$0	\$1,901,082	\$0	\$1,272,316	\$6,014,395
2019	\$0	\$2,015,147	\$0	\$1,348,655	\$6,309,428
2020	\$0	\$2,136,055	\$0	\$1,429,575	\$6,619,023
2021	\$0	\$2,264,219	\$0	\$1,515,349	\$6,943,961
2022	\$0	\$2,400,072	\$0	\$1,606,270	\$7,285,065
2023	\$0	\$2,544,076	\$0	\$1,702,646	\$7,643,206
Totals	\$2,866,000	\$26,191,222	\$2,867,111	\$17,528,717	\$89,279,389

Year	Lincoln Rate	Lincoln Rent	Lincoln OE	IT Space
2009	\$17.49	\$1,836,065	\$17,906	\$154,530
2010	\$18.02	\$1,891,704	\$36,349	\$160,705
2011	\$18.55	\$1,947,342	\$55,346	\$166,926
2012	\$19.08	\$2,002,980	\$74,912	\$173,194
2013	\$19.61	\$2,058,619	\$95,066	\$179,511
2014	\$20.14	\$2,114,257	\$115,824	\$185,879
2015	\$20.67	\$2,169,895	\$137,204	\$192,299
2016	\$21.70	\$2,278,390	\$159,227	\$203,177
2017	\$22.35	\$2,346,742	\$181,909	\$210,765
2018	\$23.03	\$2,417,144	\$205,273	\$218,581
2019	\$23.72	\$2,489,658	\$229,337	\$226,630
2020	\$24.43	\$2,564,348	\$254,123	\$234,922
2021	\$25.16	\$2,641,278	\$279,653	\$243,462
2022	\$25.92	\$2,720,517	\$305,948	\$252,258
2023	\$26.69	\$2,802,132	\$333,033	\$261,319
Totals		\$34,281,071	\$2,481,109	\$3,064,157

# Assumptions

FY08	
Operating Ex McCoy	\$10.87
Operating Ex Mead	\$9.32
Annual OE Increase	6%
McCoy SF	97,645
Mead SF	76,201
Lincoln 2006 OE	\$6
Annual OE Increases	3%
Lincoln 2006 Rent	\$16.25
Lincoln SF	104,978
IT Space	8750

## Option 1

Year	McCoy Debt	McCoy Operating	Mead Debt	Mead Operating	Total Annual Cost	
2009	\$458,000	\$1,061,554	\$576,564	\$710,455	<b>\$8,376,938</b>	
2010	\$458,000	\$1,125,247	\$570,547	\$753,082	<b>\$8,581,498</b>	
2011	\$458,000	\$1,192,762	\$570,000	\$798,267	<b>\$8,799,226</b>	
2012	\$458,000	\$1,264,328	\$570,000	\$846,163	<b>\$9,025,623</b>	
2013	\$458,000	\$1,340,188	\$290,000	\$896,933	<b>\$8,080,180</b>	
2014	\$458,000	\$1,420,599	\$290,000	\$950,749	<b>\$8,297,171</b>	
2015	\$118,000	\$1,505,835	\$0	\$1,007,794	<b>\$7,892,891</b>	
2016	\$0	\$1,596,185	\$0	\$1,068,261	<b>\$8,067,104</b>	
2017	\$0	\$1,691,956	\$0	\$1,132,357	<b>\$8,325,593</b>	
2018	\$0	\$1,793,473	\$0	\$1,200,299	<b>\$8,596,633</b>	
2019	\$0	\$1,901,082	\$0	\$1,272,316	<b>\$8,880,888</b>	
2020	\$0	\$2,015,147	\$0	\$1,348,655	<b>\$9,179,059</b>	
2021	\$0	\$2,136,055	\$0	\$1,429,575	<b>\$9,491,887</b>	
2022	\$0	\$2,264,219	\$0	\$1,515,349	<b>\$9,820,155</b>	
2023	\$0	\$2,400,072	\$0	\$1,606,270	<b>\$10,164,690</b>	
Totals	\$2,866,000	\$24,708,700	\$2,867,111	\$16,536,526	<b>\$131,579,536</b>	
Year	Lincoln Rate	Lincoln Rent	Lincoln OE	IT Space	Upfront Capital	Outside Lease
2009	\$17.49	\$1,836,065	\$17,906	\$154,530	\$2,761,864	\$800,000
2010	\$18.02	\$1,891,704	\$36,349	\$160,705	\$2,761,864	\$824,000
2011	\$18.55	\$1,947,342	\$55,346	\$166,926	\$2,761,864	\$848,720
2012	\$19.08	\$2,002,980	\$74,912	\$173,194	\$2,761,864	\$874,182
2013	\$19.61	\$2,058,619	\$95,066	\$179,511	\$2,761,864	
2014	\$20.14	\$2,114,257	\$115,824	\$185,879	\$2,761,864	
2015	\$20.67	\$2,169,895	\$137,204	\$192,299	\$2,761,864	
2016	\$21.70	\$2,278,390	\$159,227	\$203,177	\$2,761,864	
2017	\$22.35	\$2,346,742	\$181,909	\$210,765	\$2,761,864	
2018	\$23.03	\$2,417,144	\$205,273	\$218,581	\$2,761,864	
2019	\$23.72	\$2,489,658	\$229,337	\$226,630	\$2,761,864	
2020	\$24.43	\$2,564,348	\$254,123	\$234,922	\$2,761,864	
2021	\$25.16	\$2,641,278	\$279,653	\$243,462	\$2,761,864	
2022	\$25.92	\$2,720,517	\$305,948	\$252,258	\$2,761,864	
2023	\$26.69	\$2,802,132	\$333,033	\$261,319	\$2,761,864	
Totals		\$34,281,071	\$2,481,109	\$3,064,157	\$41,427,959	\$3,346,902

## Assumptions

Operating Ex McCoy	\$10.87
Operating Ex Mead	\$9.32
Annual OE Increase	6%
McCoy SF	97,645
Mead SF	76,201
DM McCoy	\$3,320,000
DM Mead	\$800,000
Seismic McCoy	\$7,300,000
Seismic Mead	\$5,400,000
Lincoln 2006 OE	\$6
Annual OE Increases	3%
Lincoln Year 1 Rent	\$16.25
Lincoln SF	104,978
IT Space	8750
Upfront Capital Requirements	\$36,101,787
Outside Lease Rate	\$20
Outside Lease Increases	3%
Outside Lease Size	40000
Debt Interest Rate*	4.59%
Amortization Term	20
*Rate per Seattle NW 10/20/07	



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### Option 2

Year	Lincoln Cost	New Debt	Mead Debt	Mead OE
2009	\$2,008,501	\$3,363,243	\$576,564	\$710,455
2010	\$2,088,758	\$3,363,243	\$570,547	\$753,082
2011	\$2,169,613	\$3,363,243	\$570,000	\$798,267
2012	\$2,251,086	\$3,363,243	\$570,000	\$846,163
2013	\$2,333,195	\$3,363,243	\$290,000	\$896,933
2014	\$2,415,960	\$3,363,243	\$290,000	\$950,749
2015	\$2,499,398	\$3,363,243	\$0	\$1,007,794
2016	\$2,640,794	\$3,363,243	\$0	\$1,068,261
2017	\$2,739,416	\$3,363,243	\$0	\$1,132,357
2018	\$2,840,997	\$3,363,243	\$0	\$1,200,299
2019	\$2,945,626	\$3,363,243	\$0	\$1,272,316
2020	\$3,053,393	\$3,363,243	\$0	\$1,348,655
2021	\$3,164,393	\$3,363,243	\$0	\$1,429,575
2022	\$3,278,724	\$3,363,243	\$0	\$1,515,349
2023	\$3,396,484	\$3,363,243	\$0	\$1,606,270
Totals	\$39,826,338	\$50,448,642	\$2,867,111	\$16,536,526

Year	McCoy/New OE	McCoy Debt	Mead Lease	Total
2009	\$1,125,247	\$458,000	\$400,000	<b>\$8,642,010</b>
2010	\$1,192,762	\$458,000	\$412,000	<b>\$8,838,392</b>
2011	\$1,264,328	\$458,000	\$424,360	<b>\$9,047,811</b>
2012	\$1,340,188	\$458,000	\$437,091	<b>\$9,265,771</b>
2013	\$714,000			<b>\$7,597,371</b>
2014	\$735,420			<b>\$7,755,371</b>
2015	\$757,483			<b>\$7,627,917</b>
2016	\$780,207			<b>\$7,852,505</b>
2017	\$803,613			<b>\$8,038,629</b>
2018	\$827,722			<b>\$8,232,260</b>
2019	\$852,553			<b>\$8,433,738</b>
2020	\$878,130			<b>\$8,643,421</b>
2021	\$904,474			<b>\$8,861,685</b>
2022	\$931,608			<b>\$9,088,924</b>
2023	\$959,556			<b>\$9,325,553</b>
Totals	\$14,067,290.94	\$1,832,000	\$1,673,451	<b>\$127,251,359</b>

### Assumptions

New Clinic Size	75,000
1/2 Block of Land Cost	\$5,000,000
Sell and Core Cost/SF	\$200
TI Costs/SF	\$180
Mead Seismic	\$5,400,000
Mead DM	\$800,000
Mead TI's	\$2,667,035
Total Upfront Capital from Summary	\$43,962,729
Amortization Period	20
Interest Rate*	4.59%
*Rates per Seattle NW 10/20/07	
New Clinic Operating Expense	\$8.50
Annual Increases	3%
Size of Outside Lease for Mead	20,000
Rate for Outside Lease	\$20
Annual Increases	3%



### Option 3

Year		Debt Service	Operating Exp	Post Lease	Parking
				2416	
2009		\$5,070,534	\$2,179,859	(\$35,104)	(\$108,000)
2010		\$5,070,534	\$2,245,255	(\$17,552)	(\$111,240)
2011		\$5,070,534	\$2,312,612	\$0	(\$114,577)
2012		\$5,070,534	\$2,381,991	(\$60,000)	(\$118,015)
2013		\$5,070,534	\$2,453,451	(\$61,500)	(\$121,555)
2014		\$5,070,534	\$2,527,054	(\$63,038)	(\$125,202)
2015		\$5,070,534	\$2,602,866	(\$64,613)	(\$128,958)
2016		\$5,070,534	\$2,680,952	(\$66,229)	(\$132,826)
2017		\$5,070,534	\$2,761,380	(\$67,884)	(\$136,811)
2018		\$5,070,534	\$2,844,222	(\$69,582)	(\$140,916)
2019		\$5,070,534	\$2,929,548	(\$71,321)	(\$145,143)
2020		\$5,070,534	\$3,017,435	(\$73,104)	(\$149,497)
2021		\$5,070,534	\$3,107,958	(\$74,932)	(\$153,982)
2022		\$5,070,534	\$3,201,196	(\$76,805)	(\$158,602)
2023		\$5,070,534	\$3,297,232	(\$78,725)	(\$163,360)
Totals		\$76,058,009	\$40,543,010	(\$880,390)	(\$2,008,683)

Year	Mead/McCoy	Vacate L-1	Qwest Buyout	Total
2009	\$2,912,893	(\$123,463)	(\$792,000)	\$9,104,719
2010	\$825,381	(\$124,698)		\$7,887,680
2011		(\$125,945)		\$7,142,625
2012		(\$127,204)		\$7,147,306
2013		(\$128,476)		\$7,212,453
2014		(\$129,761)		\$7,279,588
2015		(\$131,058)		\$7,348,770
2016		(\$132,369)		\$7,420,061
2017		(\$133,693)		\$7,493,526
2018		(\$135,030)		\$7,569,229
2019		(\$136,380)		\$7,647,238
2020		(\$137,744)		\$7,727,623
2021		(\$139,121)		\$7,810,456
2022		(\$140,512)		\$7,895,811
2023		(\$141,918)		\$7,983,764
Totals	\$3,738,275	(\$1,987,371)	(\$792,000)	\$114,670,850

### Assumptions

New Debt Requirement	\$66,279,636
Amortization	20
Rate*	4.59%
*Rates per Seattle NW 10/20/07	
Lincoln Square Footage	256,464
Qwest Rate	\$18
Qwest SF	44,000
Qwest Buyout	\$792,000
Parking Revenue per Month	\$150
Spaces Available	60
Rate of Parking Growth	3%
L-1 Rent	\$123,463
Annual L-1 Increases	1%



**MULTNOMAH COUNTY  
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## Option 4

Year		Debt Service*	Operating Exp	Post Lease	Parking
				2416	
2009		\$2,992,898	\$2,179,859	(\$35,104)	(108,000.00)
2010		\$3,074,622	\$2,245,255	(\$17,552)	(111,240.00)
2011		\$3,150,011	\$2,312,612	\$0	(114,577.20)
2012		\$3,226,588	\$2,381,991	(\$60,000)	(118,014.52)
2013		\$3,308,988	\$2,453,451	(\$61,500)	(121,554.95)
2014		\$3,391,668	\$2,527,054	(\$63,038)	(125,201.60)
2015		\$3,474,336	\$2,602,866	(\$64,613)	(128,957.65)
2016		\$3,561,487	\$2,680,952	(\$66,229)	(132,826.38)
2017		\$3,652,673	\$2,761,380	(\$67,884)	(136,811.17)
2018		\$3,742,211	\$2,844,222	(\$69,582)	(140,915.50)
2019		\$3,839,571	\$2,929,548	(\$71,321)	(145,142.97)
2020		\$3,933,892	\$3,017,435	(\$73,104)	(149,497.26)
2021		\$4,029,904	\$3,107,958	(\$74,932)	(153,982.18)
2022		\$4,132,154	\$3,201,196	(\$76,805)	(158,601.64)
2023		\$4,234,998	\$3,297,232	(\$78,725)	(163,359.69)
Totals		\$53,746,001	\$40,543,010	(\$880,390)	(2,008,682.70)

Year	Mead/McCoy	Upfront Paymen	Vacate L-1	Qwest Buyout	Total
2009	\$2,912,893	(\$2,912,893)	(\$123,463)	(\$792,000)	\$4,114,190
2010	\$825,381	(\$825,381)	(\$124,698)		\$5,066,387
2011			(\$125,945)		\$5,222,102
2012			(\$127,204)		\$5,303,360
2013			(\$128,476)		\$5,450,907
2014			(\$129,761)		\$5,600,722
2015			(\$131,058)		\$5,752,572
2016			(\$132,369)		\$5,911,014
2017			(\$133,693)		\$6,075,665
2018			(\$135,030)		\$6,240,906
2019			(\$136,380)		\$6,416,275
2020			(\$137,744)		\$6,590,981
2021			(\$139,121)		\$6,769,827
2022			(\$140,512)		\$6,957,431
2023			(\$141,918)		\$7,148,228
Totals	\$3,738,275	(\$3,738,275)	(\$1,987,371)	(\$792,000)	\$88,620,567

## Assumptions

Lincoln Square Footage 256,464

Qwest Rate \$18

Qwest SF 44,000

Qwest Buyout \$792,000

Parking Revenue per Month \$150

Spaces Available 60

Rate of Parking Growth 3%

Upfront Debt Buydown \$10,900,795

Upfront Mead/McCoy \$3,738,275

Total Upfront Contribution \$14,639,070

L-1 Rent \$123,463

Annual L-1 Increases 1%

\*Debt Service is per Seattle NW 10/20/07  
Option 1C(3)



**MULTNOMAH COUNTY  
OREGON**

# **OPERATING EXPENSE SCHEDULES AND LINCOLN RENT**

Existing Lincoln Building				Lincoln Owned Entire Building				Owned New Building			
Base Year	Estimated	3% Passthrough		Size	Annual Increase	3.00%		3.00%			
2009	\$596,868	\$614,774	\$17,906	2009	\$8.50	256454	\$2,179,859	2009	\$8.50	130000	\$1,105,000
2010	\$596,868	\$633,217	\$36,349	2010	\$8.76	256454	\$2,245,255	2010	\$8.76	130000	\$1,138,150
2011	\$596,868	\$652,214	\$55,346	2011	\$9.02	256454	\$2,312,612	2011	\$9.02	130000	\$1,172,295
2012	\$596,868	\$671,780	\$74,912	2012	\$9.29	256454	\$2,381,991	2012	\$9.29	130000	\$1,207,463
2013	\$596,868	\$691,934	\$95,066	2013	\$9.57	256454	\$2,453,451	2013	\$9.57	130000	\$1,243,687
2014	\$596,868	\$712,692	\$115,824	2014	\$9.85	256454	\$2,527,054	2014	\$9.85	130000	\$1,280,998
2015	\$596,868	\$734,072	\$137,204	2015	\$10.15	256454	\$2,602,866	2015	\$10.15	130000	\$1,319,428
2016	\$596,868	\$756,095	\$159,227	2016	\$10.45	256454	\$2,680,952	2016	\$10.45	130000	\$1,359,011
2017	\$596,868	\$778,777	\$181,909	2017	\$10.77	256454	\$2,761,380	2017	\$10.77	130000	\$1,399,781
2018	\$596,868	\$802,141	\$205,273	2018	\$11.09	256454	\$2,844,222	2018	\$11.09	130000	\$1,441,774
2019	\$596,868	\$826,205	\$229,337	2019	\$11.42	256454	\$2,929,548	2019	\$11.42	130000	\$1,485,028
2020	\$596,868	\$850,991	\$254,123	2020	\$11.77	256454	\$3,017,435	2020	\$11.77	130000	\$1,529,578
2021	\$596,868	\$876,521	\$279,653	2021	\$12.12	256454	\$3,107,958	2021	\$12.12	130000	\$1,575,466
2022	\$596,868	\$902,816	\$305,948	2022	\$12.48	256454	\$3,201,196	2022	\$12.48	130000	\$1,622,730
2023	\$596,868	\$929,901	\$333,033	2023	\$12.86	256454	\$3,297,232	2023	\$12.86	130000	\$1,671,412
				Total			\$40,543,010	Totals			\$20,551,800

## Lincoln Existing Rent Schedule

	Rate	Including Overhead
2009	\$16.50	\$17.49
2010	\$17.00	\$18.02
2011	\$17.50	\$18.55
2012	\$18.00	\$19.08
2013	\$18.50	\$19.61
2014	\$19.00	\$20.14
2015	\$19.50	\$20.67
2016	\$20.48	\$21.70
2017	\$21.09	\$22.35
2018	\$21.72	\$23.03
2019	\$22.37	\$23.72
2020	\$23.04	\$24.43
2021	\$23.74	\$25.16
2022	\$24.45	\$25.92
2023	\$25.18	\$26.69

# **RESIDUAL VALUE CALCS**

McCoy Improved SF				Mead Improved SF			
1	\$100.00	97,645		1	\$100.00	76,201	
2	\$103.00			2	\$103.00		
3	\$106.09			3	\$106.09		
4	\$109.27			4	\$109.27		
5	\$112.55			5	\$112.55		
6	\$115.93			6	\$115.93		
7	\$119.41			7	\$119.41		
8	\$122.99			8	\$122.99		
9	\$126.68			9	\$126.68		
10	\$130.48			10	\$130.48		
11	\$134.39			11	\$134.39		
12	\$138.42			12	\$138.42		
13	\$142.58			13	\$142.58		
14	\$146.85			14	\$146.85		
15	\$151.26	97,645	\$14,769,682	15	\$151.26	76,201	\$11,526,084.96
<b>Value Full</b>							
Remaining Debt		53.60%	\$5,692,320	Remaining Debt		53.60%	\$3,323,200.00
Residual Value			\$9,077,362	Residual Value			\$8,202,884.96

Mead and McCoy Unimproved \$/SF SF				Lincoln Building Value			
1	\$60.00	173,846		1	\$175	256454	\$53,000,000
2	\$61.20			2	\$180		
3	\$62.42			3	\$186		
4	\$63.67			4	\$191		
5	\$64.95			5	\$197		
6	\$66.24			6	\$203		
7	\$67.57			7	\$209		
8	\$68.92			8	\$215		
9	\$70.30			9	\$222		
10	\$71.71			10	\$228		
11	\$73.14			11	\$235		
12	\$74.60			12	\$242		
13	\$76.09			13	\$250		
14	\$77.62		Residual Value	14	\$257		
15	\$79.17	173,846	\$13,763,166	15	\$265	256454	\$67,884,195
Remaining Debt			\$2,680,000				
Residual Value			\$11,083,166	Remaining Debt		53.60%	\$28,408,000
				Residual Value			\$39,476,195

New Building \$/SF			
1	\$250	126000	
2	\$257.50		
3	\$265.23		
4	\$273.18		
5	\$281.38		
6	\$289.82		
7	\$298.51		
8	\$307.47		
9	\$316.69		
10	\$326.19		
11	\$335.98		
12	\$346.06		
13	\$356.44		
14	\$367.13		
15	\$378.15	126000	\$47,646,576.33
Remaining Debt		53.60%	\$35,525,884.90
Residual Value			\$12,120,691.44

**DEBT OUTSTANDING ON MEAD AND MCCOY  
FY 2007 and Beyond**

**Health Facilities**

	McCoy	Mead	Year	McCoy	Mead
2007			2007		
2008			2008		
2009	340,000	290,000	2009	\$458,000	\$576,564
2010	340,000	290,000	2010	\$458,000	\$570,547
2011	340,000	290,000	2011	\$458,000	\$570,000
2012	340,000	290,000	2012	\$458,000	\$570,000
2013	340,000	290,000	2013	\$458,000	\$290,000
2014	340,000	290,000	2014	\$458,000	\$290,000
	<u>2,040,000</u>	<u>1,740,000</u>	2015	\$118,000	\$0
			2016	\$0	\$0
			2017	\$0	\$0
			2018	\$0	\$0
			2019	\$0	\$0
			2020	\$0	\$0
			2021	\$0	\$0
			Total	\$2,866,000	\$2,867,111

**Series 2000**

	McCoy First Floor	Mead
2007		
2008	66,000	280,000
2009	66,000	280,000
2010	66,000	280,000
	<u>198,000</u>	<u>840,000</u>

**Series 2004**

	McCoy	Mead
2007		
2008		
2009	52,000	
2010	52,000	
2011	118,000	280,000
2012	118,000	280,000
2013	118,000	
2014	118,000	
2015	118,000	
	<u>694,000</u>	<u>560,000</u>

Sale Proceeds	
Mead SF	76,201
McCoy SF	97,645
Sale Price	\$65 per SF
Total Sale Price	\$11,299,990
Debt	\$5,733,111
Proceeds	\$5,566,879

**Energy Loans**

	McCoy	Mead
2007		
2008		
2009		6,564
2010		547
	<u>-</u>	<u>7,111</u>

Debt Outstanding	<b>2,932,000</b>	<b>3,147,111</b>
	<b>McCoy</b>	<b>Mead</b>